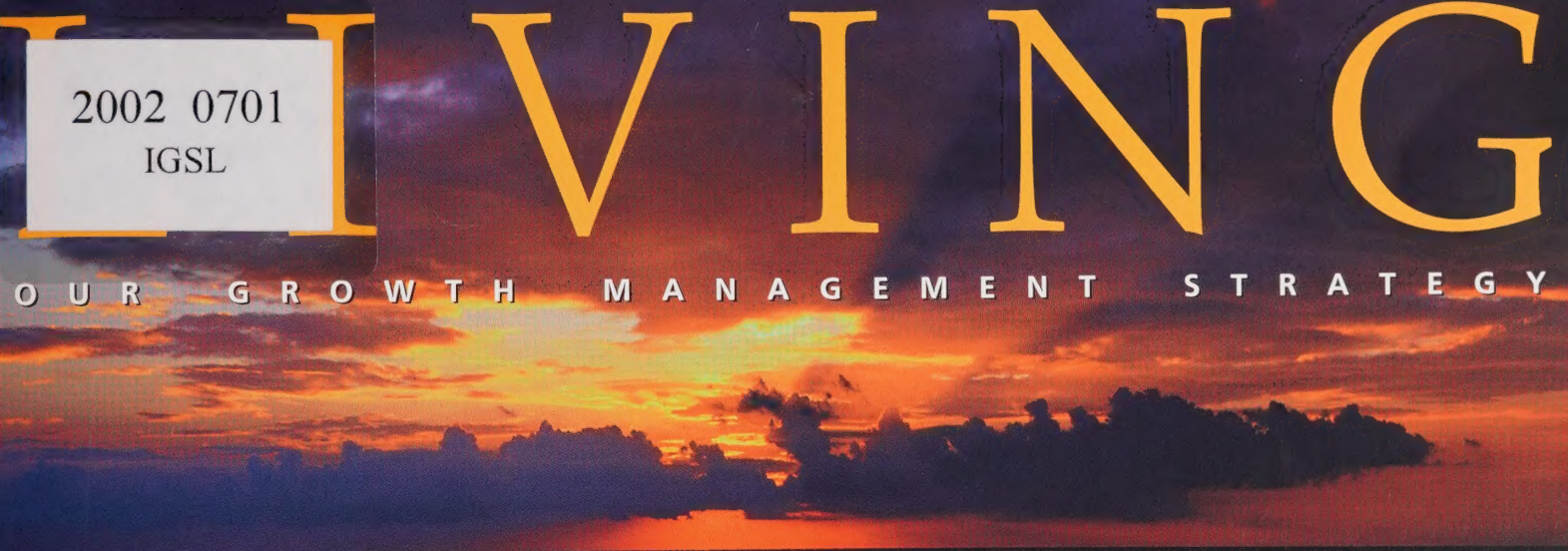
2002 0701
IGSL

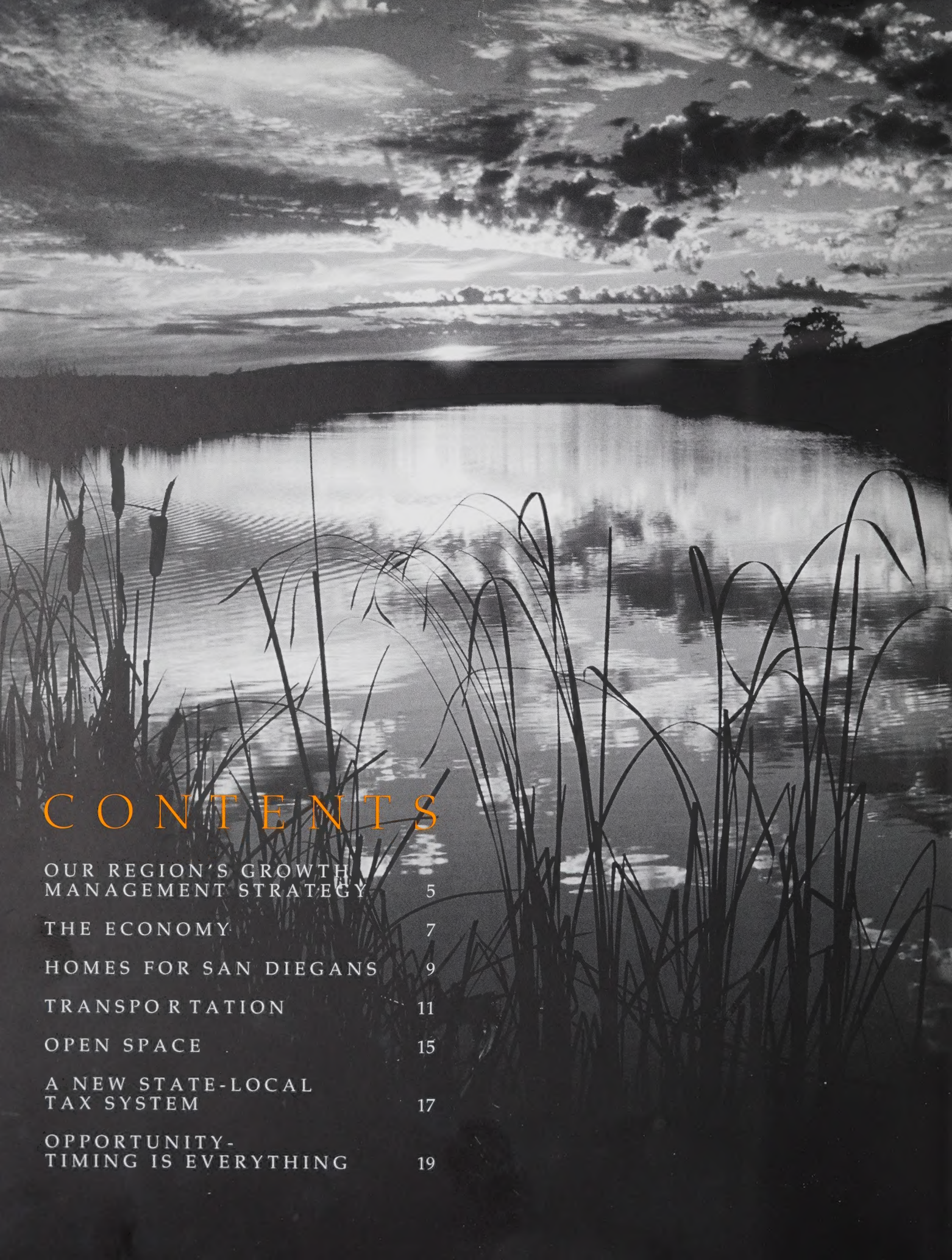
LIVING

OUR GROWTH MANAGEMENT STRATEGY



IN A SUSTAINABLE, PROSPEROUS REGION

SAN DIEGO ASSOCIATION OF GOVERNMENTS



CONTENTS

OUR REGION'S GROWTH MANAGEMENT STRATEGY 5

THE ECONOMY 7

HOMES FOR SAN DIEGANS 9

TRANSPORTATION 11

OPEN SPACE 15

A NEW STATE-LOCAL TAX SYSTEM 17

OPPORTUNITY-TIMING IS EVERYTHING 19

2002 0701
IGSL

PROVIDING A SUSTAINABLE, PROSPEROUS REGION

Growth is opportunity staring us right in the face. We need to realize that we are well on our way toward creating a strategy for a sustainable, prosperous region. This strategy includes landmark achievements in economic restructuring, transportation, and open space preservation.

With these strategic decisions, the region's leaders are focusing on:

- Sustainable economic opportunity and a rising standard of living;
- Equitable transportation access to all parts of the region;
- Preservable natural habitat as a permanent part of our environment;
- Providing more houses and opportunities for home ownership;
- Fiscal reform of the state-local tax system.

INSTITUTE OF GOVERNMENTAL STUDIES LIBRARY
MAR 21 2002
UNIVERSITY OF CALIFORNIA

These achievements are the result of the commitment to strategic decision-making and innovation by the region's elected officials, business people and involved citizens.

This report highlights the significance of these decisions and identifies the complementary actions that should be taken in the near future to complete our region's growth management strategy.

OUR REGION'S GROWTH MANAGEMENT STRATEGY

San Diego, like all metropolitan areas, grows because of the opportunities created by its residents. Our commitments to economic restructuring, transportation and the environment give us the opportunity to sustain, as we grow, this region's livability and prosperity for years to come.

How do we sustain our region's livability and prosperity? By making economic and environmental decisions that meet our needs without compromising the ability of future generations to meet theirs; in other words by avoiding dead ends.

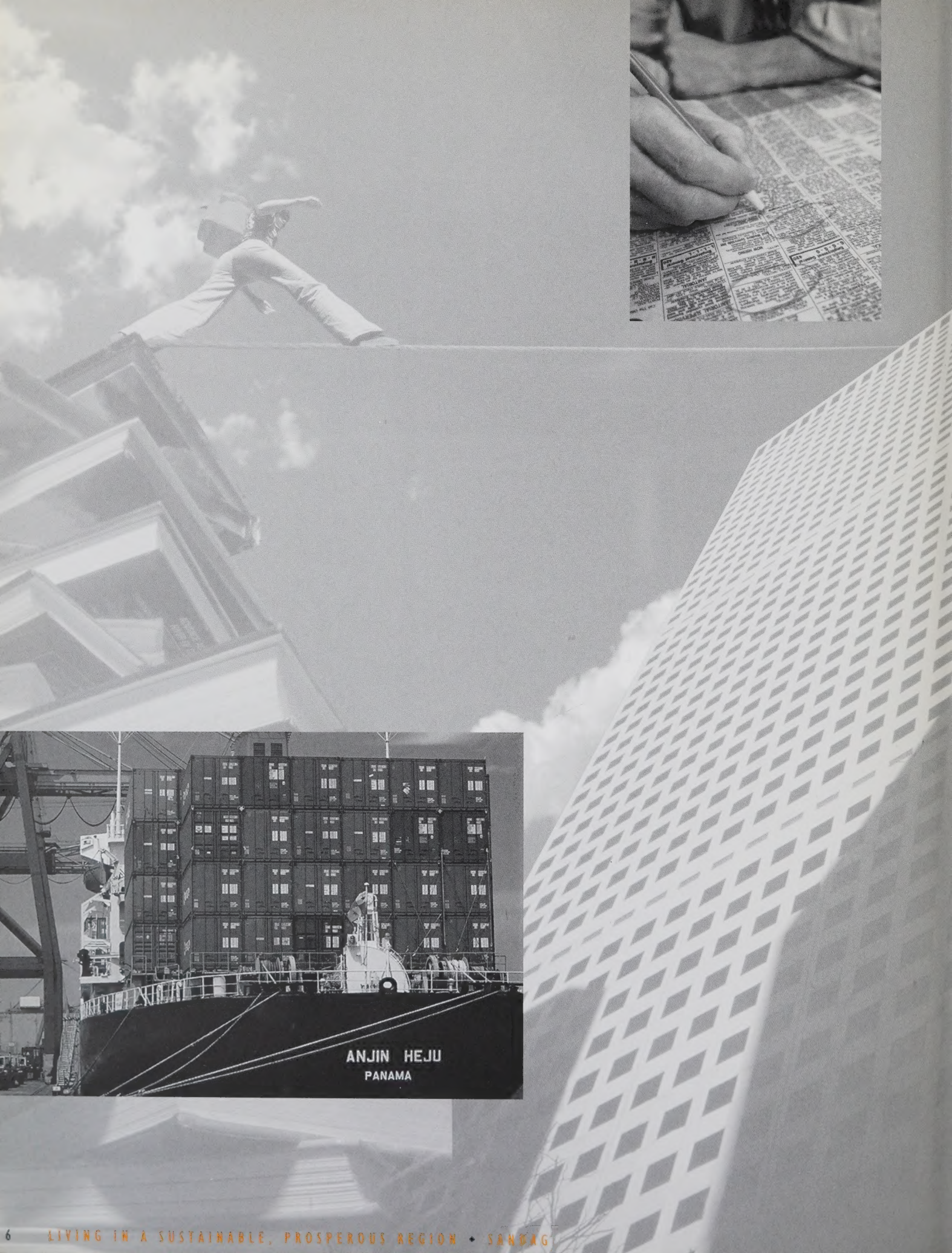
Our decisions regarding the economy, the transportation system and habitat preservation are intended to meet our needs and sustain for the future, the region's livability and prosperity. Together, they comprise the first three parts of the SANDAG Regional Growth Management Strategy: *creating economic prosperity; providing equitable and accessible transportation; and preserving open space.*

Our decisions regarding the economy, the transportation system and habitat preservation are intended to meet our needs and sustain for the future, the region's livability and prosperity.

Now, two more parts are needed to complete the Strategy: *increasing the opportunities for home ownership, and enacting a new state-local tax system.*

This report contains a summary of each of the five parts of the Strategy, and how they can work together to create a sustainable, prosperous region.

All of the area's 18 cities and the county government have designated SANDAG as the public agency to develop and monitor the Regional Growth Management Strategy.


ANJIN HEJU
PANAMA

THE ECONOMY

A new direction for the economy, the first element of the region's strategy, is in place. Our strategy for economic prosperity focuses on retaining and expanding local businesses as our economy diversifies, creating more well-paying jobs, particularly in our 16 export-oriented industrial clusters, and preparing our residents to fill these jobs.

Why is this important? Consider the fact that during the period 1980 through 1994, our nation's standard of living rose three times faster than that of the San Diego region.

Our schools, colleges and universities are partners in the Economic Prosperity Strategy. They are committed to educating and training so that our residents are able to take full advantage of these new job opportunities.

If this strategy succeeds, real economic opportunity will be available to more San Diegans than ever before. We can reverse the unsustainable decline in middle income jobs that is creating a barbell society: heavy at both ends, thin in the middle. (For more on the region's economic strategy, see, *Creating Prosperity for the San Diego Region,* January 1999, from SANDAG.)

It is important to understand that today, business – not government – determines the direction our economy will take. Government's role is to provide the infrastructure and public policy support business needs to sustain our economic prosperity.

Creating Prosperity for the San Diego Region identifies the most important infrastructure investments government should make now to support the region's economy. They are:

- Strengthen the connection between educational curricula (at all school levels) and workforce requirements;
- Assure an adequate, safe, reliable water supply, and waste disposal facilities;
- Improve the region's access to domestic and international trade markets.

Notice that education is classified as part of the region's basic infrastructure. High quality education is fundamental to sustaining this region's prosperity.

One success of our growing and diversifying economy is creating well-paying jobs. The work of our schools is to educate and train people for these jobs so we can achieve our primary economic objective: *Ensuring a rising standard of living for our residents.*

We can be successful in creating larger numbers of higher paying jobs, and educating and training people who can do them. However, that success will be short-lived if we also continue to restrict the availability of new homes.

Therefore, government's primary public policy contribution to sustaining the region's economic prosperity is to increase the opportunities for home ownership among our residents and open the market for homes to everyone.

This education – jobs – homes connection underscores the importance of *providing more homes for San Diegans* as one of the five elements of the Growth Management Strategy.

The primary objective of our economic strategy is to increase personal income, and thus, raise the standard of living of all of the region's residents.

The education – jobs – homes connection is vital to the region's long-term economic prosperity.

HOMES FOR SAN DIEGANS

While many people use income as a measure of *personal* success, homeownership probably is the best indicator of the *community's* success in achieving its economic prosperity and educational objectives.

Homeownership also is an important ingredient in community building. It promotes good, stable neighborhoods and citizen involvement in community affairs.

Unfortunately, our current rate of homeownership, about 55 percent, ranks only 67th among the nation's 75 largest metropolitan areas. Equally important, the demand for homes to rent exceeds the supply.

A coordinated public - private sector commitment to increase homeownership opportunities and to open our housing market to all of our residents is the necessary complement to our Economic Prosperity Strategy.

Making more homes available – for renters and owners – would complement our education and jobs strategy, and help ensure its long-term success. We want our trained workers and students to live here. And we want our businesses to expand and hire educated workers here. We also want to provide assistance to low income households.

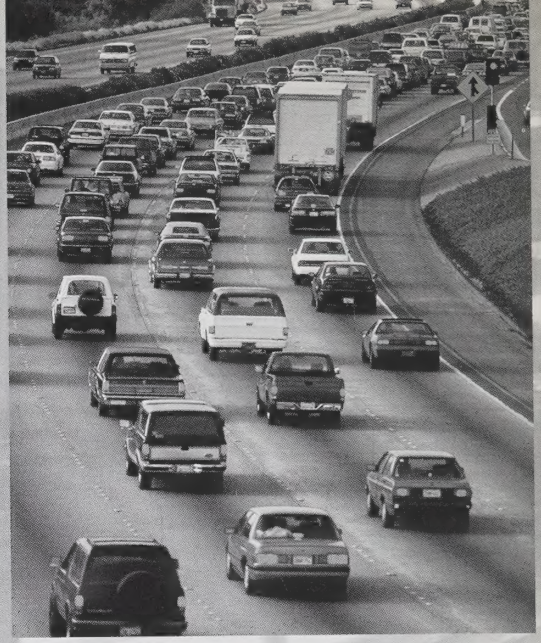
Early success with this strategy will be important. Beginning in about 2005, the number of people entering the traditional "first home" years will be larger than we have experienced recently. These residents, if they can find suitable jobs and homes in the region, will be primary contributors to sustaining our economy and our communities for years to come.

The best way to increase the opportunities for home ownership is to increase the opportunities to build homes, for both owners and renters. We have enough land in our cities to build the new homes we need, to avoid the overcrowding that results from building too few homes. And, working together, the cities have identified the kinds of homes and the kinds of residential densities that are appropriate to their communities.

The decision to permit new homes, however, is a local one. This decision is the most important contribution local governments can make to sustaining our economy and our communities.

Reforming the current state - local tax system will offer a fiscal incentive to build homes.

A commitment to increase home ownership and to open housing markets to all of our residents is the necessary complement to our Economic Prosperity Strategy.



2101
2101
COASTER

TRANSPORTATION

While education is one of the building blocks of the economy, transportation and communications are its lifelines. Our regional transportation strategy is entirely consistent with our economic strategy. Essentially, our objective is to equitably serve everybody's travel needs in both urban and rural areas, and to make travel easier between and among the major urban areas of the region – north, south, east, and central.

That's an ambitious agenda, but we've succeeded fairly well, especially considering the size of our binational metropolitan area and the demands we and our neighbors from Tijuana, Baja California, and other parts of southern California put on it.

Most of the regional highways and transit routes we've planned over the past 30 years are built or soon will be. From Miramar south to Mexico, and from the Ocean to El Cajon, we're completing a grid system of freeways that offers equitable accessibility to all parts of the southern metropolitan area. In addition, the Trolley system is designed to balance travel in the southern urbanized area between autos and transit.

This relatively even distribution of travel opportunities is good for the region's economy. It offers more opportunities to site jobs and services, and it helps everyone get to them.

In the northern half of the region, we rely on Interstates 5 and 15 as the only major highway routes linking the northern and southern portions of the metropolitan area. So, increasing the capacities of these two freeways is one of the region's highest priorities.

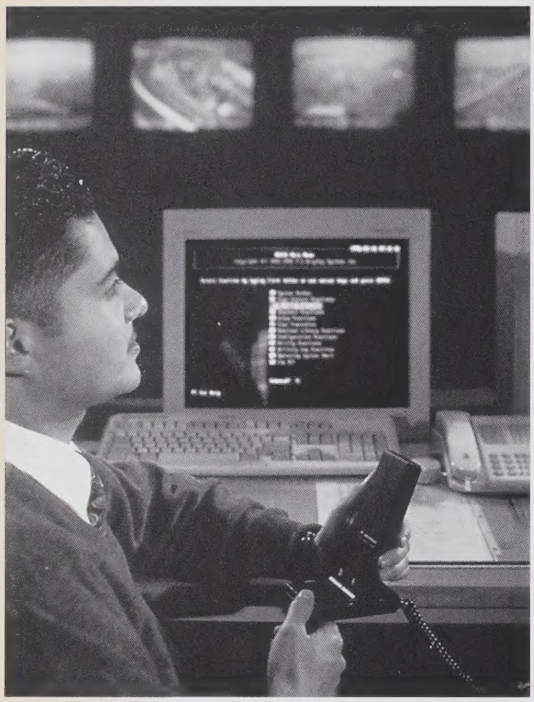
North county also has only three major east - west routes: State Routes 76, 78 and 56. The western end of 76 will be completed through Oceanside this year; SR 78 was widened a few years ago; and 56 will be completed between I-5 and I-15 by 2002.

More needs to be done in the future. Transportation improvements are expensive, but, like education, we have to view them as investments in our people and our economy.

What needs to be accomplished?

Our objective is to equitably serve everybody's travel needs, and to make travel easier between the region's major urban areas.

Where do we go from here? Toward more emphasis on managing the existing system to increase its traffic-carrying capacity.



Why? Because many people view *traffic management* as the most important objective of *growth management*

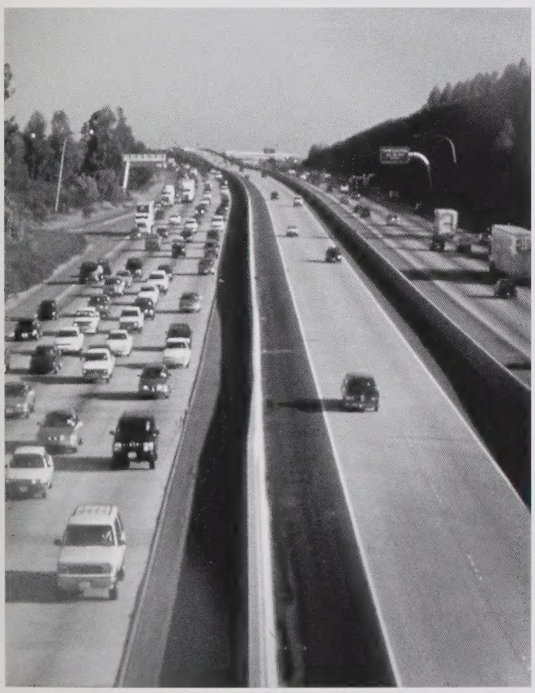
As we near completion of the basic highway and transit network, we need to identify our future travel objectives. In other words, where do we go from here? The answer is: toward greater emphasis on managing the existing system to increase its traffic-carrying capacity. Why? Because many people view *traffic management* as the most important objective of *growth management*. And because we have new cost-effective methods of moving more traffic on existing routes. Besides, geographically, at least, we will have relatively fewer opportunities in the future to build new freeways and transit routes as the primary response to the demands for more travel.

Fortunately, the good coverage of the urban area provided by our existing freeway and transit system gives us the opportunity to increase travel capacity while working within the existing rights-of-way.

Technology such as computerized traffic signals and innovation such as the I-15 peak-hour value pricing project may offer part of the answer.

The improvements that will be made to I-15 over the next few years are the best example of reworking an existing freeway to move more people and goods. This kind of traffic management isn't cheap. The cost for the I-15 improvements will be about $200 million.

But it's less costly and more practical than building a new freeway, and a heck of a lot faster.



Transportation improvements will help improve the region's access to domestic and international trade markets.

OPEN SPACE

The fourth part of the strategy is open space. A component of open space is natural habitat preservation, identifying lands to be added to the region's vast open space network as communities develop.

San Diego will continue to grow. Growth will demand more housing, jobs, commercial centers, and infrastructure to support it. If open space is not planned for, it will be lost. Preserving open spaces sustains our ability to forever enjoy the region's natural landscape, and to ensure there is enough room for us and nature as well.

Preservation of natural habitats adds to our open space system for people to enjoy, and at the same time, habitats protect land for native plants and animals. Habitat land is vital to the preservation of our natural heritage; without it numerous plants and animals could be added to the endangered species list, or worse, become extinct.

Local governments in the San Diego region have taken the lead nationally to comprehensively plan for the protection of native plants and animals. This has required an analysis of biological data collected in the field, and the application of scientific principles to design a preserve system. The end result will be a system of high quality habitat core areas linked together by corridors of native habitat designed to sustain native plants and animals.

Natural habitat is as much a part of the region and its future as any other use of land. Rolling hillsides, canyons, lagoons, and beaches define our sense of place as much as "man-made" structures define San Diego – the freeways, Balboa Park, the Escondido and East County Performing Arts Center, etc. We should view open space as a fundamental element of the region's infrastructure, and as the most practical and appropriate means of defining our urban areas.

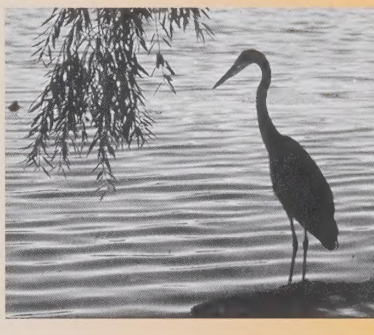
Our habitat plans illustrate the inextricable link between this region's environment and its economy. Local government's commitment to implement the habitat plans brings more certainty to the land development process, and to open space preservation. This certainty will be an invaluable contribution to a sustainable economy and the environment.

Individual cities and the county are responsible for providing recreational needs for their neighborhoods and communities based on standards set in their General Plans.

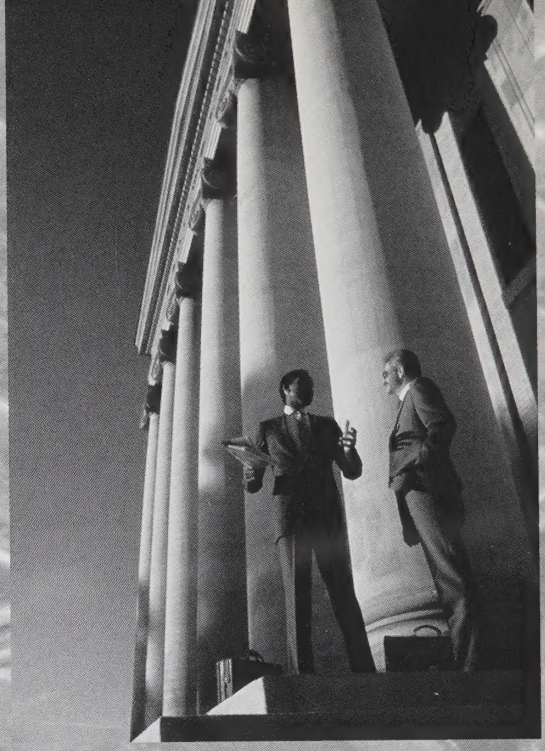
Most cities and the county have ordinances to protect steep hillsides, floodplains, and wetlands. The combination of these measures along with the regional habitat conservation plans are the open space component of the growth management strategy.

Land is a finite resource that requires thoughtful management to build homes, preserve open space and provide for employment opportunities.

Natural habitat is as much a part of the region and its future as any other use of land.



Habitat is a fundamental element of the region's infrastructure, and an appropriate means of defining our urban areas.



THE GOLDEN BASKET

A NEW STATE - LOCAL TAX SYSTEM

The state's allocation of tax money to local government is fundamentally important to growth management in California. Almost invisible, and not well understood, even by people directly involved in the transactions, the state – local tax system is a primary determinant of our ability to sustain the region's economic prosperity, provide enough homes for our residents, and preserve open space.

The current tax system is an impediment to sustainable, prosperous communities. It adversely affects how our communities look, and, even more important, how they work.

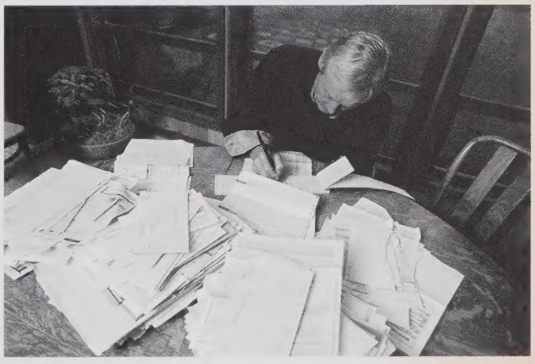
Among other defects, it retards home construction and favors less valuable contributors to economic prosperity – retail outlets – over more economically productive businesses; the kinds of businesses we need to achieve our most important economic prosperity objective: ensuring a rising standard of living for all of our residents.

We need a new state – local tax system; one that benefits all of our residents and our communities, and that helps us create a sustainable, prosperous San Diego region. Such a system is possible, and it can be created without raising taxes or taking money away from public schools, the state or any local government.

The new system should encourage new home construction in cities, and stability and flexibility in city budgets. It should encourage cooperation among communities in the development of new business by giving each local government a financial return based on the performance of the regional economy.

This new system can be implemented in California through an even exchange of tax revenues between local governments and the state. Essentially, the state would retain more state-controlled tax dollars and return an equivalent amount of locally generated property and sales tax money to local communities. These local property and sales tax dollars should be Constitutionally protected.

In other words, California's tax system should allow more local money to stay home, and let state taxes stay with the state.



The state – local tax system is a primary determinant of our ability to sustain the region's economic prosperity, provide enough homes for our residents, and preserve open space.

The current tax system is an impediment to sustainable, prosperous communities.

We need a new system that benefits all of our residents and our communities.

The region's elected leaders, business entrepreneurs and representatives of public interest groups should do at least two things to help California move toward a new state – local tax system. The two things are:

- Agree on a set of principles that should characterize a new tax system, and use those principles to review all of the proposals that will come forward from statewide groups over the next year.
- Encourage the statewide groups that represent local government's interests to partner with private sector organizations to help prepare a proposal for a new system, rather than attempt to independently prepare a local government-sponsored proposal.

A new tax system that would benefit growth management in California should be based on a set of principles that should:

- Constitutionally protect local revenues;
- Increase local government's budgetary control and flexibility;
- Remain revenue neutral for all units of government and schools;
- Conform to all voter-approved limitations (such as 2/3 vote on certain tax proposals) on local government finance;
- Strengthen growth management incentives;
- Allocate more revenues based on population;
- Reduce inter-jurisdictional competition for retail stores; and
- Promote regional cooperation in economic development.

A new system should allow more local money to stay home, and let state taxes stay with the state.

Many business and governmental interests are currently discussing how to reform California's state – local tax system. It is likely that a proposal will be presented to the voters next year. The timing couldn't be better for the Regional Growth Management Strategy.

Local government's chances of influencing a new tax system would be improved by working with the existing statewide tax review groups rather than making an independent proposal. The business, environmental and taxpayer advocacy organizations working statewide now understand the need for a new system. They have substantial influence with state government and the voters. A joint public - private sector proposal would be much stronger than competing ones. A new system is vital to effective growth management, in the San Diego region and throughout the state.

OPPORTUNITY - TIMING IS EVERYTHING

Today, we have what could be our best opportunity to create a sustainable, prosperous metropolitan region. Why is this so?

First, and most important, we have a better understanding of what it takes to manage growth than in years past. We now recognize the inextricable connection between sustainable economic prosperity and a sustainable environment, and that the education – jobs – homes relationship is fundamental to both.

This understanding allows us to intelligently plan for growth, a common sense notion most of us support. To be effective, metropolitan growth management must be positive and inclusionary.

Second, as described above, local officials have defined the things they should do together to manage growth regionally. This has helped clarify the kinds of decisions, such as the types of housing and streets, that can only be made locally.

Third, this changed attitude toward growth is now more widely held throughout California, offering the state its best chance in years to support local and regional growth management by enacting a new state – local tax system.

Finally, as mentioned so often in this report, it all comes back to opportunity. Our understanding of the region's growth offers us a rare opportunity to ensure the sustainability and prosperity of our communities for years to come. It's an opportunity we can't afford to pass up.

It's an opportunity we can't afford to pass up.

San Diego
ASSOCIATION OF GOVERNMENTS

U.C. BERKELEY LIBRARIES
C101729086

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. The Association builds consensus, makes strategic plans, obtains and allocates resources, and provides information on a broad range of topics pertinent to the region's quality of life.

BOARD OF DIRECTORS

CHAIRMAN: Hon. Ramona Finnila
VICE CHAIR: Hon. Ron Morrison
SECRETARY - EXECUTIVE DIRECTOR: Kenneth E. Sulzer

CITY OF CARLSBAD
Hon. Ramona Finnila, Councilmember
(A) Hon. Bud Lewis, Mayor
(A) Hon. Matt Hall, Mayor Pro Tem

CITY OF CHULA VISTA
Hon. Shirley Horton, Mayor
(A) Hon. Mary Salas, Councilmember

CITY OF CORONADO
Hon. Thomas Smisek, Mayor
(A) Hon. Chuck Marks, Councilmember

CITY OF DEL MAR
Hon. Richard Earnest, Councilmember
(A) Hon. Crystal Crawford, Deputy Mayor

CITY OF EL CAJON
Hon. Richard Ramos, Councilmember
(A) Hon. Mark Lewis, Mayor

CITY OF ENCINITAS
Hon. Dennis Holz, Councilmember
(A) Hon. Christy Guerin, Councilmember

CITY OF ESCONDIDO
Hon. Keith Beier, Mayor Pro Tem
(A) Hon. June Rady, Councilmember

CITY OF IMPERIAL BEACH
Hon. Diane Rose, Mayor
(A) Hon. Mayda Winter, Councilmember
(A) Hon. Patricia McCoy, Mayor Pro Tem

CITY OF LA MESA
Hon. Art Madrid, Mayor
(A) Hon. Barry Jantz, Councilmember
(A) Hon. Jay La Suer, Vice Mayor

CITY OF LEMON GROVE
Hon. Mary Sessom, Mayor
(A) Hon. Jill Greer, Councilmember

CITY OF NATIONAL CITY
Hon. Ron Morrison, Councilmember
(A) Hon. George H. Waters, Mayor

CITY OF OCEANSIDE
Hon. Carol McCauley, Deputy Mayor
(A) Hon. Colleen O'Harra, Councilmember

CITY OF POWAY
Hon. Don Higginson, Deputy Mayor
(A) Hon. Mickey Cafagna, Mayor
(A) Hon. Robert Emery, Councilmember

CITY OF SAN DIEGO
Hon. Susan Golding, Mayor
(A) Hon. Byron Wear, Councilmember
(A) Hon. Valerie Stallings, Councilmember

CITY OF SAN MARCOS
Hon. Hal Martin, Councilmember
(A) Hon. Pia Harris-Ebert, Vice Mayor

CITY OF SANTEE
Hon. Jack Dale, Mayor
(A) Hon. Hal Ryan, Vice Mayor
(A) Hon. Jim Bartell, Councilmember

CITY OF SOLANA BEACH
Hon. Marion Dodson, Councilmember
(A) Hon. Joe Kellejian, Mayor
(A) Hon. Marcia Smerican, Councilmember

CITY OF VISTA
Hon. Gloria E. McClellan, Mayor
(A) Hon. Judy Ritter, Mayor Pro Tem

COUNTY OF SAN DIEGO
Hon. Pam Slater, Supervisor
(A) Hon. Greg Cox, Supervisor

STATE DEPARTMENT OF TRANSPORTATION
(Advisory Member)
Jeff Morales, Director
(A) Gary Gallegos, District 11 Director

METROPOLITAN TRANSIT DEVELOPMENT BOARD
(Advisory Member)
Leon Williams, Chairman
(A) Hon. Harry Mathis, Deputy Mayor, City of San Diego
(A) Jerry Rindone

NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD
(Advisory Member)
Hon. David Drucker, Councilmember, City of Del Mar
(A) Hon. Bill Horn, Supervisor, County of San Diego

UNITED STATES DEPARTMENT OF DEFENSE
(Liaison Member)
CAPT. Robert L. Phillips, CEC, USN, Commander, Southwest Division, Naval Facilities Engineering Command
(A) CAPT Robert Schenk, CEC, USN

SAN DIEGO UNIFIED PORT DISTRICT
(Advisory Member)
Jess Van Deventer, Commissioner
(A) Frank Urtasun, Commissioner

SAN DIEGO COUNTY WATER AUTHORITY
(Advisory Member)
Frank Chenelle
(A) John Fowler

TIJUANA / BAJA CALIFORNIA/MEXICO
(Advisory Member)
Hon. Gabriela Torres Ramirez, Consul General of Mexico

(As of July 1, 2000)

401 B Street, Suite 800
San Diego, CA 92101
(619) 595-5300

www.sandag.org